

Consumer Complaint Process

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Consumer Complaint Process



Consumer Contacts - 2012

Complaints: 3,319

Other (non complaints):

- Phone calls: 18,190
- Written inquiries: 7,997



Consumer Complaint Process



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Overview

- Division staff
- Division authority
- Consumer Services v. Agent Investigations
- Complaints



Consumer Complaint Process



SLIDE 2

2012 Complaints – by Reason

- Denial of claim: 730
- Unsatisfactory settlement: 529
- Delays: 541
- Premium notice / billing: 206
- Adjuster handling: 167
- Coverage question: 133



Consumer Complaint Process



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Consumer Affairs Division

- Helps consumers resolve complaints and inquiries
- Investigates insurance agents, public adjusters and bail bond agents suspected of violations
- Help consumers understand policy provisions
- Provides insurance education to Missouri consumers



Consumer Complaint Process



SLIDE 3

Licensed Producers

- Life: 75,993
- Accident and health: 75,847
- Casualty: 51,436
- Property: 51,193
- Variable contracts: 29,164
- Personal lines: 9,997
- Credit: 3,553
- Title: 2,993



Consumer Complaint Process



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2012 Complaints – by Line

- Accident and health: 862
- Auto: 683
- Homeowners: 578
- Life and annuity: 387
- Fire, allied lines, commercial: 73
- Miscellaneous: 66
- Liability: 19

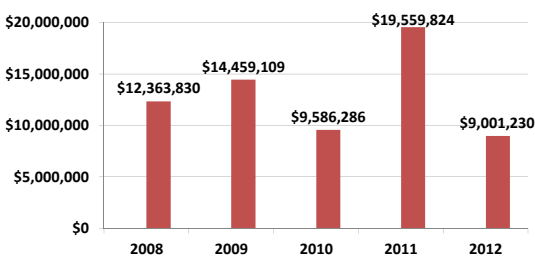


Complaint Process

- Complaint forwarded to insurance company; response / explanation required
- Review company response for compliance with Missouri law and policy requirements
- If not compliant, require company to take corrective action
- Health: assist with grievances and appeals.
- Refer, where appropriate, to Market Conduct



Consumer Recoveries



Unfair Claims Practices

Acts "committed in conscious disregard of 375.1000 to 375.1018" or corresponding regulations. Examples:

- Acknowledgement of claim within 10 days
- Claim forms within 15 days
- Regular communication until claim settled
- Prompt, fair & equitable settlement



Filing a Complaint

Complaints: must complete complaint form & send by mail, or online at insurance.mo.gov



Consumer Affairs Inquiries

374.085: Division required to:

- Investigate complaints
- Maintain records indexed by type
- Operate toll-free number
- Close file only when division director is satisfied with insurer position
- Educate consumers about insurance

Insurer response required within 20 days of receipt (20 CSR 100-4.100)



The Division Cannot:

- Recommend a company, producer or policy
- Act as a lawyer or give legal advice
- Intervene in a pending lawsuit
- Resolve factual disputes (i.e., extent of damage to a house)
- Regulate plans outside DIFP jurisdiction (i.e. self-insured health plans)



Consumer Complaint Process



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Health Complaints – External Review

- After all appeals are exhausted
- Resolve disputes that are medical in nature
 - ▶ i.e., whether service is medically necessary or experimental, etc.
 - ▶ Referred to contractor for expert medical review and recommendation



Consumer Complaint Process



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Complaint Tracking

- 2010 DIFP adopted State-Based Systems – web-based, from NAIC
- Electronic sharing and transmitting of information
- Complaints can be coded for events, i.e. Joplin tornado
- Consumer and company correspondence available in electronic form



Consumer Complaint Process



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Life Policy Locator

- Launched Nov. 2011
- Consumer sends in search form and death certificate
- DIFP sends to all licensed life insurers electronically
- Searches life & annuity contracts
- If found, beneficiaries contacted
- \$149,000 recoveries to date
- 98% of market share participating



Consumer Complaint Process



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Complaints – Common L&H Topics

- Rate increases – long-term care
- Rate increases – individual health
- Denials for pre-existing conditions
- Initiating appeals & complaints
- Finding child-only coverage



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Complaints – Common P&C Topics

- Car: Market value vs. ACV
- Car: use of CCC to determine value
- Car: bodily injury claims not settled until treatment complete
- Home: matching for roof, siding
- Home & auto: nonrenewal
- Rate increases
- Use of credit scores



Consumer Complaint Process



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Complaint Index

- Ratio of complaints to premium volume
- Compared to entire market
- Score of 100 is average
- All complaints counted, even if company position is correct
- Calculated yearly, using three years' data
- *One* factor for consumer consideration
- Available for seven lines of insurance
- Available online or by phone

Complaint Verification

Complaint Index - Formula

Company complaints

Company premium volume

x 100

Industry-wide complaints

Industry-wide premium volume

Complaint Verification

Click on Submit when review is complete. Only those complaints where the Status has been selected will be submitted. If a complaint does not have a Status selected, it will remain unsubmitted and in this view.

Complaint Verification

- Allows companies to review DIFP consumer complaint records
- Review coding, informs DIFP of errors.
- Now: electronic, quarterly
- Before: paper, annual
- More efficient for DIFP and you

Complaint Verification

Company position – right side of page
Questions about the status can be e-mailed to complaint.verify@insurance.mo.gov. Please reference the company's NAIC number and complaint number.